

CFR part 85 (Administrative Requirements for Grants and Cooperative Agreements to State, Local and Federally Recognized Indian Tribal Governments) apply to the award, acceptance, and use of assistance under this part by applicable entities, and to the remedies for non-compliance, except where inconsistent with the provisions of NAHA, other Federal statutes, or this part. Part 84 of this title (Grants and Agreements with Institutions of Higher Education, Hospitals, and Other Nonprofit Organizations) and OMB Circular Nos. A-122 (Cost Principles Applicable to Grants, Contract and Other Agreements with Nonprofit Institutions) and, as applicable, A-21 (Cost Principles for Educational Institutions) apply to the acceptance and use of assistance under this part by covered organizations, except where inconsistent with the provisions of Federal statutes or this part. Recipients are also subject to the audit requirements of OMB Circular A-128 (Audits of State and Local Governments) implemented at 24 CFR part 44, and OMB Circular A-133 (Audits of Institutions of Higher Learning and Other Nonprofit Institutions), implemented at 24 CFR part 45, as applicable.

(2) Copies of OMB Circulars may be obtained from E.O.P. Publications, room 2200, New Executive Office Building, Washington, DC 20503, telephone (202) 395-7332 (this is not a toll-free number). There is a limit of two free copies.

(b) *Requirements in 24 CFR part 5.* The Disclosure requirements; provisions on Debarred, suspended or ineligible contractors; and Drug-Free Workplace requirements, as identified in § 5.105 (b), (c), and (d) of this title, apply to this program.

(c)-(d) [Reserved]

(e) *Labor standards.* If other Federal programs are used in connection with the HOPE 3 homeownership program, labor standards requirements apply to the extent required by such other Federal programs.

(f) *Flood insurance.* Pursuant to the Flood Disaster Protection Act of 1973 (42 U.S.C. 4001-4128), the recipient may not provide financial assistance for acquisition or rehabilitation of properties located in an area identified by the

Federal Emergency Management Agency (FEMA) as having special flood hazards, unless:

(1) The community in which the area is situated is participating in the National Flood Insurance program (see 44 CFR parts 59 through 79), or less than one year has passed since FEMA notification regarding such hazards; and

(2) Flood insurance is obtained as a condition of the acquisition or rehabilitation of the property.

(g) *Coastal Barrier Resources Act.* Pursuant to the Coastal Barrier Resources Act (16 U.S.C. 3601), HUD will not approve use of properties in the Coastal Barrier Resources System.

(h) *Lead-based paint activities.* The Lead-Based Paint Poisoning Prevention Act (42 U.S.C. 4821-4846), the Residential Lead-Based Paint Hazard Reduction Act of 1992 (42 U.S.C. 4851-4856), and implementing regulations at part 35, subparts A, B, J, K and R of this title apply to activities under these programs.

[58 FR 36526, July 7, 1993, as amended at 59 FR 2738, Jan. 19, 1994; 61 FR 48798, Sept. 16, 1996; 62 FR 34145, June 24, 1997; 64 FR 50226, Sept. 15, 1999]

EFFECTIVE DATE NOTE: At 64 FR 50226, Sept. 15, 1999, § 572.420 was amended by revising paragraph (h), effective Sept. 15, 2000. For the convenience of the user, the superseded text is set forth as follows:

§ 572.420 Miscellaneous requirements.

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(h) *Lead-based paint.* Residential property assisted under this program constitutes HUD-associated housing for purposes of the requirements of part 35 of this title. Unless otherwise provided, recipients are responsible for testing and abatement activities.

§ 572.425 Recordkeeping and reports; audit of recipients.

(a) *General records.* Each recipient must keep records that will facilitate an effective audit to determine compliance with program requirements and that fully disclose:

(1) The amount and disposition by the recipient of the planning and implementation grants received under this part, including sufficient records that document the reasonableness and necessity of each expenditure;